



# PSC NEWS

## Missouri Public Service Commission

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FY-05-124

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### NATURAL GAS RATES TO CHANGE FOR SOUTHERN MISSOURI GAS COMPANY CUSTOMERS UNDER NATURAL GAS FILING

Jefferson City (December 28, 2004)---Natural gas rates will increase for Southern Missouri Gas Company, L.P. natural gas customers under a winter season filing reviewed and accepted by the Missouri Public Service Commission. This filing primarily reflects changes in the estimated cost of natural gas for the remaining winter season. This rate change, which is interim subject to refund, will take effect on January 1, 2005.

A residential customer currently pays \$0.83 per Ccf (100 cubic feet of gas). Under this filing, the rate will increase to \$0.92 per Ccf, an increase of \$0.11 per Ccf. The effect on a typical residential heating customer for the remaining winter season (January through March) is an increase of approximately 5% when compared to rates currently in effect.

Approximately 65% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas** (the cost your local natural gas company must pay to its suppliers for natural gas) **is not regulated by the Missouri Public Service Commission.** The wellhead cost of natural gas is unregulated and is primarily driven by supply and demand. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.

Southern Missouri Gas Company serves approximately 7,250 natural gas customers in the Missouri counties of Wright, Texas, Webster, Howell and Douglas.

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Case No: GR-2005-0064